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Assistant Director for Research and Reports

13 August 1958

Acting Chief, Economic Research Area

Activity Report for the Month of July 1958

1. In a number of instances, ERA supervisors and analysts who recently visited Agency installations abroad have reported serious shortcomings in the system of handling ERA's collection requirements. Some of the principal difficulties in servicing our requirements, from the point of view of the field stations, appear to stem from the multiplicity of unrelated and uncoordinated requests for information and from the lack of any systematic organization of our priority requirements for economic information. Another problem is the fact that field collectors usually have little knowledge of the existing state of our information concerning particular industries or sectors of the Soviet Bloc economies. After a series of discussions with St/I and with Division and Branch Chiefs (at a meeting held on 23 July), it has been decided to have all appropriate ERA Branches prepare Gaps in Information Requirements, listing priority information needs with respect to priority subjects and areas within their fields of responsibility. A formal project will be established to cover the initial preparations of these Requirements, with an appropriate allocation of man-hours and due dates, and it is also the intent that the Requirements will be revised annually, or more often when necessary.

2. As a result of efforts to broaden the coverage of economic subjects at [REDACTED] intelligence conferences on electronics, the agenda of the [REDACTED] Electronics Conference, tentatively scheduled for October 1958, is being expanded to provide for sessions on economic aspects of the subject.

3. As a result of efforts, extending over a number of months to overcome a critical inadequacy in the exploitation of foreign publications with respect to information on the electronics industry, the Foreign Documents Division has resumed reporting on this industry and will issue a new FDD Summary to be entitled "The Electronic and Precision Electrical Industry of the USSR".

4. A continuing review of ERA procedures has resulted in a decision to systematize and simplify existing procedures and to codify them in a series of Procedural Instructions to be numbered serially and published in a form suitable for insertion in loose leaf notebooks. The first two

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of these - on "Planning the Annual ERA Research Program" and on "The Initiation and Review of Research Projects" - have been completed and are being reviewed by Division Chiefs and other interested persons.

5. At the request of the Warnings System Survey Committee of the IAC, a project was established to evaluate early warnings capabilities of US intelligence with respect to the items relevant to ERA interest shown in the NIC General Indicator List. Most of the ERA Branches are participating in this project, which is being monitored by St/CS.

6. A project was established to revise RA-11, ORR Standard Classification of Economic Activities and Factors, which had become obsolete as a result of the recent reorganization of the ERA. This Research Aid proved quite useful in recent discussions with representatives of the Management Staff, DD/S in connection with the reorganization. In the revision the content of the Research Aid will be expanded in an effort to make it useful for the orientation of new analysts.

7. The Guided Missiles Branch has been requested to assist the Net Evaluations Subcommittee (NESC/ONE) in providing IAC-coordinated intelligence on the numbers of operational nuclear delivery vehicles which the Soviet Bloc will have in mid-1962, and on Bloc air defense capabilities in mid-1962. The ORR contribution (Project 37.2414) will be to update NIE 11-57 and to schedule and cost the production and deployment of the missile systems estimated to be Soviet requirements for mid-1962.

8. During the month members of the Fuels and Power Branch provided support to CIA components and other government agencies regarding Sino-Soviet Bloc capabilities and Free World vulnerabilities related to petroleum, engendered by the Iraqi coup.

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